BUDGET
1984-85

Speech of

Thiru V. R. Nedunchezhiyan

Minister for Finance

Masi 20, Ruthrothkari, Thiruvalluvar Aandu-2015
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Speech of Thiru V. R. Nedunchezhiyan, Minister for Finance, Government of Tamil Nadu, presenting the Budget for 1984–85 to the Legislative Assembly on 3rd March, 1984, Masi 20, Ruthrothkari, Thiruvalluvar Aandu, 2015.

Hon'ble Speaker Sir,

I rise to place before the House the Revised Estimate for 1983–84 and the Budget Estimate for 1984–85 for the approval of the House.

> " Do with firm will though pains beset
> The deed that brings delight at last."

The great saint Thiruvalluvar states that though an act should cause increasing sorrow and pain in the beginning, one should be firm and determined in doing that act if it will result in bliss and happiness in the end. These tenets are being scrupulously observed by this State in the execution of its programmes. Honourable Members are aware that this Government have been concentrating on the alleviation of the hardships caused in the last two years by both natural calamities and other problems. At the same time, this Government had discharged its responsibilities commendably in redressing the public grievances, improving the standard of living of the poor, increasing the production in various fields of activities and implementing the numerous development schemes while, at the same time, maintaining law and order throughout the State.

2. The State got out of the travails of a long drawn out drought only towards the close of the year 1983 and close in the wake of that, certain parts of the State were ravaged by unusually heavy downpours creating a flood situation. These successive natural calamities have strained the resources of the State to the utmost and large outlays had to be made for relief and repair operations. The State Government had incurred an expenditure of Rs. 114.28 crores on drought relief during 1982–83 and 1983–84. This has been far in excess of the ceiling of Rs. 68.36 crores fixed by the central team. The State has represented to the Centre for additional assistance and on the basis of the second visit of the central team, enhancement of central ceiling to the tune of Rs. 9.18 crores has been admitted. The major items of works taken up under drought relief are, sinking of 21,726 bore-wells by TWAD at a cost of nearly Rs. 46 crores, deepening of drinking water wells at a cost of Rs. 3.73 crores, repairs and improvements to the irrigation sources at a cost of Rs. 17.31 crores and improvements to ooranies and ponds at a cost of Rs. 5 crores. The State Government had also spent Rs. 10 crores in supplying janatha saries and dhoties to the agricultural labourers to provide immediate relief to them. These works were of such a nature that apart from providing immediate relief to the drought stricken people, permanent assets have been created in the State in the form of drinking water sources and irrigation and transport facilities.

3. The heavy and widespread rainfall in late December resulted in large scale devastation resulting in loss of life and damages to standing crops, roads, bridges,

buildings and other assets, particularly in the districts of South Arcot, Thanjavur, Tiruchirappalli, Pudukkottai and Ramanathapuram. Rescue and relief measures were taken up on an emergency basis and the services of armed forces were also requisitioned to restore communications and for air dropping of food packets in the marooned areas. A memorandum has been presented by the State Government to the Government of India seeking an assistance of Rs. 128 crores. We are thankful to the Prime Minister for an immediate release of Rs. 5 crores and for sending the central team urgently to assess the damages and finalise the central assistance. Though only an advance of Rs. 10 crores, in addition, has been released by Government of India, to be adjusted against the subsequent flood relief grant, the State Government has already sanctioned Rs. 37.54 crores for immediate works. This also includes a payment of Rs. 10 crores towards gratuitous relief to be provided to those affected by floods.

4. These financial commitments on an unprecedented scale combined with the adverse impact that the natural calamities had on the general economy of the State, depressing the revenue resources of the State, had put during the current year, heavy strain on the State finances. In our federal set up, responsibility in the major areas of development and welfare activities is placed squarely on the States while access to the resources necessary to discharge these obligations is not available to the extent necessary. The resources available with the Government of India are both larger and more elastic, such as, market borrowings, excise and customs duties, corporation tax

as well as the possibility of external credit. The financial sources open to the State are limited and are mostly restricted to the sphere of commercial taxes and excise duties. Even the State undertakings, such as, Transport Corporations and the Electricity Board which discharge very important developmental responsibilities in the State periodically face serious problems of resources on account of the frequent increase in administered price of commodities announced by the Government of India. Over the years, with the implementation of successive five year plans, the commitment of the State on development schemes outside the current plan, as a result of the programmes taken over from previous plans, has been on the increase. Even, within the State Plan, the contribution of the Government of India works out to only 20 per cent and it has become a serious concern that this percentage has steadily declined from the First Plan onwards. In this context, it is not surprising that any additional burden that falls on the State on account of natural calamities or any such sudden demands on the resources causes imbalances in the financial calculations. The State cannot very well default on any of its avowed obligations to the people and has to carry through, at the same time, the large number of development and welfare measures which have been initiated. It is this compulsion which made the State to resort to overdrafts in the current year. We expect the Government of India to view this problem in this light with sympathy and understanding and assist us in tiding over this temporary phenomenon of financial problem.

5. A strong Centre and prosperous States is a pre-requisite for efficient administration. This Government has been continuously stressing this principle. The responsibility of safeguarding the sovereignty of the country as a whole rests on the Centre, but that of ensuring the prosperity of the population devolves on the State Governments.

6. It is necessary to have autonomous States enjoying just and adequate powers necessary to discharge these obligations under the federal system and contributing to a strong India. It is this principle that Tamil Nadu should shine forth as an autonomous State in the Indian Federation, enjoying its due share of powers, that our Honourable Chief Minister has been reiterating on the lines of Perarignar Anna.

7. Arignar Anna used to underline the need for the clear delineation of Centre-State relationship and their respective rights and obligations. He had observed " A number of powers at present resting with the Central Government should rightly be distributed to the States. In order to distribute these powers, Indian Constitution needs to be amended wherever necessary. The atmosphere is conducive and the time and thinking ripe for effecting such Constitutional changes. The very reason, for insisting that suitable legislative enactments should be introduced for amending the Constitutional provisions after due analysis and examination, is the necessity for proper, adequate and just devolution of powers to the State Governments. "

8. This Government welcomes the constitution of the Sarkaria Commission to examine the problem of Centre-State relations and urges that this Commission should pave the way for the establishment of a true federal set up wherein autonomy of the States is ensured. It is in this context that the Government of Tamil Nadu had constituted a Committee headed by Justice Ramaprasada Rao to guide the State Government in presenting their views regarding Centre-State relations and responsibilities.

9. I invite your attention to the observations of the Political Scientist Thiru K. C. Wheare in his book 'Federal Government.' "By the Federal principle, I mean, the method of dividing powers so that the Central and regional Governments are each within its sphere co-ordinating and independent, each Government should be limited to its own sphere and within that sphere, should be independent of the other. Neither Central nor regional Government is subordinate to the other."

10. Tamil Nadu always had a record of noteworthy achievements to its credit, as far as plan performance is concerned. As against the original Sixth Plan outlay of Rs. 3,150 crores, in the first three years the State has already spent Rs. 1,821 crores. With the current year's revised outlay of Rs. 861.87 crores and an outlay of Rs. 979.22 crores for 1984–85, we would have exceeded the plan outlay by Rs. 511.61 crores. It is also worth noting here that this commendable achievement has taken place side by side with very large investments in the State, made for developmental and welfare schemes in the Non-plan sector such as the mid-day meals programme.

The State could achieve this by stepping up the additional resource mobilisation effort which was raised from the pledged level of Rs. 1,100 crores to Rs. 1,450 crores during the Sixth-Five Year Plan period. In the Budget Estimate of 1983–84, it was anticipated that the State would end up with a deficit of Rs. 184.55 crores. But, in the Revised Estimate, we have brought the deficit down to Rs. 129.31 crores in spite of the new items under which heavy outlays had to be made on account of the natural calamities. Our request to Government of India has been that, this deficit which was mainly on account of special causes of a non-recurring nature, should not place a load on the finances of the State in the last year of the plan and that Government of India should view this sympathetically and give us special assistance to tide over this problem. In fact, Tamil Nadu continues to maintain its record of prudent financial management and even in March 1982, when overdrafts to the tune of Rs. 1,751 crores were converted as medium term loans by Government of India for a large number of States, we did not have any occasion to ask for or to avail of this assistance.

11. It is against this background that I would like to briefly outline the efforts the State has undertaken for public welfare and economic development under various important sectors of the economy.

Agriculture

12. The role of Agriculture in the economic development of the State cannot be over emphasised. The vicissitudes experienced by this sector during the last

two years has affected adversely not only the production and availability of foodgrains but also the employment opportunities in this primary sector. It is anticipated that about 50 lakh M.T. of paddy and about 19 lakh M.T. of millets will be produced at the end of this year. During the next year the target of 65 lakh M.T. has been fixed for paddy production and 30 lakh M.T. has been fixed for production of millets.

13. During the next financial year, it has been proposed to strengthen the existing seed processing unit at a cost of Rs. 8 lakhs and to increase the irrigation facilities in the State seed farms at a cost of Rs. 18 lakhs. It has also been proposed to establish a Farmers' Training Centre at Paramakudi in Ramanathapuram district. The Department of Agricultural Engineering has proposed to purchase two bulldozers at a cost of Rs. 20.56 lakhs, and 5 inwell drills at a cost of Rs. 19.87 lakhs. It has been proposed to construct buildings for the State Agricultural Grading Laboratories at Palladam, Kangayam and Perundurai.

14. The State Government has also given due emphasis to increasing the production of oil seeds. During 1984–85 the Department of Oil Seeds has planned to increase the coverage of area by departmental distribution of groundnut seeds, from 4 to 5 per cent. A new hybrid variety of "dwarf and tall" seedlings produced at the departmental farm at Navlock will also be made available to the farmers from 1984–85. The department has distributed 36.69 lakhs seedlings during the current year. The supply of hybrid seedlings is programmed to be

stepped up from the present level of 4.55 lakhs to 5.75 lakhs. Under oil seeds, it is programmed to cover an area of 14.54 lakhs hectares during the current year and an area of 14.67 lakhs hectares during 1984-85. The production of oil seeds is to be increased from 14.25 lakhs M.T. during the current year to 14.60 lakhs M.T. in the next year. The department has distributed 10,728 M.T. of oil seeds during the current year and it has proposed to distribute 12,550 M.T. of oil seeds in 1984-85.

Animal Husbandry

15. The various livestock developmental programmes such as Intensive Cattle Development Project, Key Village Scheme, Special Livestock Production Programme, etc., have not only shown substantial progress but have also greatly improved the livestock investment potential by paving the way for widespread adoption of modern livestock management.

16. With a view to provide better health cover to the livestock, 26 new veterinary dispensaries have been opened; 3 veterinary dispensaries have been upgraded as veterinary hospitals and two veterinary hospitals have been upgraded as clinician centres. In addition to this, three new Animal Disease Intelligence Units have been established in the districts of Chengalpattu, Thanjavur and Salem.

Dairy Development

17. On the basis of the Government policy to entrust milk procurement and distribution only to the Primary Milk Co-operatives a three tier structure of co-operative

societies at village level, district level and State level have been set up. It is proposed to organise 500 new primary milk co-operative societies during 1984–85.

18. The work of setting up of a pasturization plant at Tirunelveli to handle 50,000 litres of milk per day and the works relating to the establishment of chilling centres at Pattukottai and Pudukottai are in progress. During 1984–85 it is proposed to establish one more chilling centre at Valliyur in Tirunelveli district at an estimated cost of Rs. 28 lakhs. Under Drought Prone Area Programme, a dairy is being set up at Karaikudi in Ramanathapuram district at an estimated cost of Rs. 150 lakhs.

19. The Operation Flood II Programme is now being implemented successfully in 9 districts of the State at an estimated cost of Rs. 42.87 crores. In view of the encouraging results obtained in this programme, the Indian Dairy Corporation has been approached to extend the programme to three more districts in the State.

Food

20. The successive failure of monsoons in 1982 and 1983 adversely affected the food situation in the State. The delayed release of Kauveri water in August, 1983 also resulted in decrease in food production. However, due to the higher risk—irrigation allowance of Rs. 35 per quintal and the extension of monopoly procurement to certain taluks in Tiruchirappalli and Pudukottai districts about 1 lakh tonnes of rice could be procured during the kuruvai season of 1983.

21. In order to maintain the supply of 70,000 to 80,000 tonnes of rice per month through the public distribution system, the State Government had to resort to large scale purchase of rice at high prices in the open market. It is estimated that the additional burden to the State Exchequer by way of food subsidy would be around Rs. 100 crores in the current year. The State Government has requested the Centre to increase the rate of supply of rice from the prevailing scale of 35,000 M.T. per month to 80,000 M.T. per month to reduce the enormous cost being incurred towards food subsidy.

Co-operation

22. Though the continued overdue position in the credit co-operatives retarded the desired growth of the short-term agricultural credit, there has been significant progress during 1982–83 in providing long-term and medium-term credit. The significant feature of the credit system is that about 95 per cent of the medium-term credit was provided to the small farmers, enabling them to improve their income through agriculture and subsidiary occupations.

23. The Primary Agricultural Service Co-operatives in the State provided short-term cultivation loans to the tune of Rs. 67.18 crores in 1982–83 and Rs. 58.04 crores up to December, 1983 during the current year. As against the amount of Rs. 9.79 crores in 1981–82, medium-term loans were issued for subsidiary occupations such as dairying, poultry farming, etc., to the extent of Rs. 15.97 crores in 1982–83. In the current year loans to the tune of Rs. 8.33 crores have been issued. The Primary Land Development Banks increased the provision

of long-term loans to Rs. 14.35 crores in 1982–83 from Rs. 5.52 crores in 1981–82. In 1983–84, up to December, long-term loans to the extent of Rs. 9.11 crores have been issued.

24. The weaker sections engaged in small scale industries and cottage industries, are continued to be given loans at a concessional rate of 4 per cent. The LAMP societies also provide credit to the hill tribes at this concessional rate. The incentive of 2 per cent interest rebate to small farmers for prompt repayment of loan is also being continued.

25. Under the scheme to cover one lakh families belonging to Adi-Dravida community by enrolling one member of the family in a co-operative society by providing Government subsidy of Rs. 100, so far 80,000 persons have been brought in the co-operative fold. It is proposed to spend Rs. 10 lakhs on the scheme during 1984–85.

26. The co-operative societies have played an active role in providing agricultural inputs such as seeds, fertilisers, pesticides, etc. This has helped the agriculturists during the recent adverse seasonal conditions such as drought and flood also. In addition to this, the credit societies are to be associated in the implementation of the national programme of massive assistance to the small and marginal farmers. The Government have also permitted eight district central co-operative banks to involve themselves in the issue of long-term agricultural loans for minor irrigation purposes through Primary Agricultural Service Co-operatives as a special case.

27. The co-operative societies play a vital role in the distribution of essential commodities also. The rural areas of the State are covered by a massive net work of 11,159 village co-operative shops. In addition to this, to contain the increase in the prices of vegetables, 47 vegetable growers co-operative marketing societies have been organised. They have taken up the distribution of vegetables in 8 districts. The scheme will be extended to 8 more districts in the coming year.

Forests

28. The State Government is taking a number of steps to not only safeguard and conserve the forest wealth but also to increase the area under forests. Under the SIDA assisted forestry scheme, up to December 1983, 285 lakh seedlings have been planted. Plantations have been raised in an extent of 28,000 hectares, and strip plantations have been raised to a length of 803 Kms. A sum of Rs. 8.67 crores has been allotted for this scheme during 1983–84.

29. Under the Western Ghats Development Programme and Hill Area Development Programme, various plantation schemes have been taken up in Madurai, Kanniyakumari and The Nilgiris districts. Apart from these schemes, the Tamil Nadu Forest Plantation Corporation has also raised eucalyptus plantations in an area of 2,132 hectares and cashew plantations in an area of 742 hectares during 1983–84.

Fisheries

30. The Government has proposed various schemes for development of fisheries and to improve the standard of living of the fishermen. The Tamil Nadu Fisheries Development Corporation has taken action to set up a fish-net making unit with 20 tonnes capacity to make available good quality nets to the fishermen. Under the Hill Area Development Programme, a scheme to modernise the trout hatchery at Avalanche in the Nilgiris district is being taken up. Of the 9,931 houses sanctioned by the Government for the marine fishermen, 7,535 houses have been constructed by THADCO. The remaining houses will be completed before the end of the Sixth Five-Year Plan.

Irrigation

31. During the year 1983–84, major and medium irrigation schemes with an additional irrigation potential of 14,350 hectares will be completed. The financial outlay for 1984–85 on this sector is Rs. 48.97 crores. It is programmed to create an additional irrigation potential of 28,170 hectares.

32. The progress of the two major schemes, viz., Parambikulam-Aliyar Project Ayacut Extension Scheme and the modernisation of Periyar-Vaigai Irrigation System, taken up in the current year, is good and the schemes will be completed as per schedule.

33. Three medium irrigation schemes would be completed by this year. During the current year the work on Perumpallam Reservoir Scheme in Periyar district has also been taken up for execution.

34. The World Bank has approved the proposal for Stage II of the Modernisation of Periyar Vaigai Irrigation System at a cost of Rs. 59 crores. This scheme will be executed simultaneously along with Stage I of the project which is expected to cost Rs. 44.50 crores.

35. The Government has also sanctioned the setting up of Irrigation Management Training Institute at Tiruchirappalli under USAID programme to impart in-service training to the officers of the various Government departments.

Power

36. The installed capacity of the Tamil Nadu Grid which was 3,109 MW. at the beginning of the last financial year has now increased to 3,344 MW. with the commissioning of the Kalpakkam Atomic Power Station. The judicious operation and higher storage in hydel reservoirs, and the improvement in the performance of the Tuticorin Thermal Power Plant have also resulted in higher power availability. It is estimated that the average availability during this year will be 33.68 mu. per day against the average availability of 23.83 mu. per day during January to June 1983.

37. The hydel storage as on 1st February 1984 is 1,068 mu. compared to 128 mu. as on 1st February 1983 and this has increased the potential of the hydel resources considerably. The Tuticorin Thermal Power Plant has generated power to the tune of 333 mu. in December 1983 and 344 mu. in January 1984. This is a record performance for this plant. However, the non-availability

of adequate coal to sustain this level of generation is causing serious concern. As against the requirement of 2.7 lakhs tonnes per month the supply is only 1.5 lakhs tonnes.

38. The improvement in power position has helped to reduce the power cut and to liberalise restriction on the use of power. The Electricity Board is confident of managing the situation without any further increase in restrictions this year.

39. A permanent solution to the recurring power shortage in the State is possible only by accelerating the power development programme. In the Seventh Five-Year Plan, the Mettur Thermal Extension Scheme, the North Madras Thermal Scheme and the Tuticorin Thermal Extension Scheme are the three major schemes proposed to be taken up. Of these, the Government of India have accorded sanction for the extension of Mettur Thermal Station, whereby two more Units of 210 MW each will be added. The other two schemes are under the active consideration of the Government of India.

40. The power sector enjoys top priority in the allocation of funds under the Plan Programme. The Union Planning Commission has approved Rs. 237 crores for the power sector during the next financial year. However the steep hike in the prices of coal, oil, railway freight and the rates of power purchases has widened the gap between the resources and the commitments of the Tamil Nadu Electricity Board. The recent increase in the price of coal by 25 per cent will also add to the financial burden by about Rs. 15 crores annually. The moderate tariff

revision made in May, 1983 may not be adequate to fund the new schemes and alternate methods will have to be found for raising the necessary resources.

Industrial Development

41. There has been uninformed criticism among many sections of the public that the industrial progress in the State has suffered and that only a few schemes of permanent economic development have been taken up. However it is seen that Tamil Nadu, with a cumulative credit assistance of Rs. 1,289 crores ranks 3rd in the country in securing credit from the various financial institutions such as IDBI, ICICI, IFCI, etc. This only shows that the total investment made in the State is quite high. This has to be viewed against the background of the low central sector investment in the State. Out of the Rs. 21,171 crores of cumulative Central Government outlay on industries and Rs. 2,422.14 crores unallocated to any of the State, the investment in Tamil Nadu was only Rs. 922.51 crores up to March 1981. The only new industrial project established in the Sixth Five-Year Plan period by the Centre in Tamil Nadu is the Central Institute of Plastic Engineering and Tools with a meagre investment of Rs. 1.06 crores.

42. The position of industrial development in the State should be studied before evolving a strategy to regulate it and to promote new industrial units. One of the significant features of the industrial development of the State is the rapid growth of small-scale units. This is evident from the fact that the number of units registered has gone up from 22,254 as on 31st March, 1979 to 40,925

as on 31st March, 1983, registering a significant growth of 83 per cent. This explains the high level of investment in the absence of large industrial establishments. Another significant feature is the dispersal of industrial units throughout the State which is evident from the fact that none of the districts has been classified as a ' No Industry District'. Though this has hindered the flow of central assistance to industrial development in the State, it is an encouraging trend which would help to remove regional imbalances. The last but not the least significant feature of our industrial development is the growth of employment oriented industries such as sericulture and other rural and cottage industries. This has been the result of a well conceived strategy on the part of the Government to combat the problem of unemployment.

43. The above analysis shows that with skill formation and the entrepreneurial development, a major thrust could be given to the industrial development of the State. In order to achieve this objective, the State Government has permitted the starting of private polytechnics and engineering colleges to supplement the efforts of the Government in furthering vocational and technical education.

44. The various Government agencies have been taking an active part in their own spheres of industrial development. During 1983-84, up to December 1983, the District Industries Centres have registered 6,621 small-scale industries providing employment opportunities to 47,767 persons. Under the self-employment programme,

10,988 applications have been recommended to the banks for an assistance of Rs. 16.47 crores. Out of this, the banks have sanctioned Rs. 318.98 lakhs to 2,079 cases.

45. SIDCO has allotted 783 worksheds and 983 developed plots in the 33 Government Industrial Estates and Developed Plots Estates managed by it, to small scale industrial units. Under the hire purchase scheme, 101 small scale units have paid the cost of industrial sheds in full. SIDCO has programmed to invest Rs. 55.50 crores in the Sixth-Five Year Plan to implement various projects.

46. The Khadi and Village Industries Board has a programme to sell goods worth Rs. 83.79 crores during 1983–84. In the next year, this is to be stepped up to Rs. 101.51 crores. Additional employment would be provided to 32,000 persons in 1984–85. The Board also provides assistance to 41,476 artisans.

47. TIDCO has successfully commissioned 26 projects under public and joint sectors. The public sector re-rolling mill project of Tamil Nadu Steels, Arakonam has commenced trial production. 3 projects under public sector and 7 projects under joint sector are being implemented. TIDCO has plans to put up 7 projects under public sector and 17 projects under joint sector. TANCEM, a wholly owned subsidiary of TIDCO has taken up, implementation of the Asbestos Pressure Pipe Project with a capacity of 30,000 M.Ts. per annum at Mayanoor in Tiruchirappalli district at a cost of Rs. 10 crores and this is expected to be completed by September 1984. Tamil Nadu Newsprint and Papers Limited

is setting up a Newsprint-*cum*-Paper Project in Pugalur, a backward area in Tiruchirappalli district. This, Rs. 195 crores project, will produce 50,000 tonnes of newsprint and 40,000 tonnes of paper annually. This will result in a foreign exchange savings of Rs. 40 crores per annum.

48. SIPCOT has played a vital role in the promotion and development of medium and major industries. During the current year (up to 31st January 1984) SIPCOT has sanctioned term loan assistance to the tune of Rs. 23.26 crores. A sum of Rs. 20.99 lakhs has been disbursed by underwriting and direct subscription and seed capital assistance has been sanctioned to the tune of Rs. 83.40 lakhs.

49. The Government has created a separate Deparment of Geology and Mining to improve the mineral administration in the State. Tamil Nadu Magnesite Limited has taken up a " Refractory Project " at a cost of Rs. 80 crores for implementation in a phased manner. The first phase of the project will be completed in March/April 1985 when the rotary kiln will be commissioned.

50. Tamil Nadu Minerals Limited, a public sector undertaking set up with the obective of exploiting the mineral wealth in the State, has shown very good progress. The company anticipates a turn-over of Rs. 256 lakhs during 1983–84 and has set for itself a target of Rs. 350 lakhs for the next year which will be more than double the sales turn-over of Rs. 168 lakhs recorded in 1982-83. Being an export oriented company the foreign exchange

earned by it will be about 90 per cent of its turn-over. The company has taken up the work of setting up a 100 per cent export oriented granite cutting and polishing unit in Manali near Madras at a cost of Rs. 385 lakhs. The Government has already released Rs. 30 lakhs by way of share capital contribution towards the project. The factory is expected to commence production by the end of 1984. The company has also planned to set up a beneficiation-*cum*-crucible manufacturing plant at Sivaganga utilising the good quality graphite occurring there. The Government has proposed to invest Rs. 30 lakhs in this unit. The Government notes with satisfaction the progress made by this company, which anticipates an operating profit of Rs. 100 lakhs in 1983-84.

51. Under Sericulture schemes with an outlay of Rs. 91.65 lakhs have been proposed during 1984–85. An additional area of 10,000 acres will be brought under mulberry cultivation during this period. Raising of mulberry nurseries in Government Silk Farms and the establishment of a bivoltine seed farm in Coimbatore are among the important schemes to be taken up in 1984–85.

Handloom and Textiles

52. The Handloom industry in the State provides direct employment to about 13.34 lakhs of weavers. Out of the total 5.56 lakhs handlooms, 3.47 lakhs handlooms have so far been organised into 1,529 primary weavers co-operative societies. Provision of common worksheds for the loomless weavers is the highlight of the Co-operative coverage programme. Under the scheme, it is

proposed to organise 12 Industrial Weaver Co-operative Societies during the current financial year. During 1984–85, it has been programmed to organise 15 such Industrial Weaver Co-operative Societies. Besides this, a proposal for organisation of 8 Industrial Weaver Co-operative Societies exclusively for Adi Dravidas under the Special Component Plan is under consideration.

53. During the year, the Handloom Weavers Co-operative Societies and Co-optex played a vital role in meeting the demand for handloom cloth under the scheme of supply of handloom cloth to landless agricultural labourers. During the recent floods, Co-optex arranged for the supply of handloom cloth worth Rs. 2 crores to the flood victims in a record time.

Housing and Urban Development

54. The comprehensive programme of slum improvement undertaken by the Slum Clearance Board both under the World Bank Aided, Madras Urban Development Project at Madras and under the Accelerated Slum Improvement Schemes continues to be implemented vigorously. Under MUDP I, basic amenities were provided to 24,862 families at a total cost of Rs. 443·65 lakhs. Under MUDP II, which was started in the year 1981, 22,000 families out of a total of 50,000 families have been benefited at a cost of Rs. 354.31 lakhs. A sum of Rs. 600 lakhs has been provided for the year 1984–85 to achieve the final coverage of 50,000 families. Under this scheme, loans to the tune of Rs. 273 lakhs will be provided for home improvement in the year 1984–85.

55. The Tamil Nadu Slum Clearance Board will undertake construction of tenements at Madurai, Coimbatore and Erode. It will also undertake slum improvement programme in Madurai, Coimbatore and other selected municipalities.

56. The Tamil Nadu Housing Board is implementing a "Sites and Services" programme under MUDP II at Mogappier and Nerkundram villages near Madras.

57. A comprehensive urban development programme, MUDP III, costing Rs. 135 crores has been drawn up for Madras City and sent to the Government of India to be posed before the World Bank. Similarly a comprehensive scheme to develop the secondary towns of Coimbatore, Madurai, Tiruchirappalli and Salem has also been drawn up and forwarded to the Government of India for being posed before the World Bank.

58. The Budget provision for House Building Advance to Government Employees in 1984-85 is Rs. 10 crores, earmarking Rs. 50 lakhs for municipal employees.

59. Under Rural Housing, a total of 1,57,766 houses have been constructed from 1978-79 onwards and a total amount of Rs. 58.23 crores has been disbursed by the Tamilnadu Co-operative Housing Society to the Rural Housing Co-operatives for release to the beneficiaries as loans and subsidies. Of these, 1,26,409 houses have been constructed by Adi-Dravidars alone. In 1984-85, another 40,000 houses are proposed to be constructed under this programme.

Roads, Transport and Ports

60. The performance of the Transport Corporations continues to be quite good and during 1982–83, all Corporations except three made profits. Two of our Corporations bagged the All-India awards of the National Productivity Council.

61. The three new Transport Corporations, viz., Jeeva Transport Corporation, Nesamony Transport Corporation and Marudhupandiar Transport Corporation have started functioning independently from 1st April, 1983. The Pallavan Transport Consultancy Services has been set up as a separate Corporation.

62. The wages of Transport Corporation Workers have been increased from 1st September 1983 involving an additional expenditure of about Rs. 9 crores in a year. It is worth mentioning here that the steep increase in the price of diesel has pushed up the operational cost.

63. The cost of bitumen which is a basic necessity for the maintenance of roads has been increased by the Central Government by more than 75 per cent within a period of 3 years. This has resulted in the escalation of the cost of road works hindering their progress.

64. The Government of India have permitted the Poompuhar Shipping Corporation to purchase a ship for the transport of coal from Haldia to the Thermal Power Plant at Tuticorin.

65. The minor ports in this State handled 3.40 lakhs tonnes of cargo during 1982–83. The works on improvement of infrastructural facilities at Cuddalore Port and the

development of Colachel Port have been taken up. The establishment of a minor port at Valinokkam has been approved and is in progress.

Tourism

66. Tamil Nadu has a vast potential for development of tourism. The State Government has initiated a series of measures to tap this potential. The formation of an open-air museum at Mamallapuram and the construction of a permanent boat jetty at Muttukkadu are under consideration. The Tamil Nadu Tourism Development Corporation which runs a chain of hotels and youth hostels has taken up the construction of youth hostels at Kanniyakumari, Mudumalai and Pichavaram. It is proposed to set up two excursion centres in each district. Initially five centres have been taken up for implementation at a total cost of Rs. 10 lakhs. It has also been proposed to develop some more district excursion centres during 1984–85.

67. With a view to giving better publicity to the tourist centres, it is proposed to produce a documentary film at a cost of Rs. 2 lakhs. It has also been proposed to take up development work in the Poompuhar Complex.

Tamil Art and Culture

68. It has been the avowed policy of the Government to highlight the glorious heritage of the Tamils and their culture. It is proposed to install a 10 ft. high bronze statue of Mahakavi Subramania Bharathiyar at an important place in New Delhi. It is also proposed to publish the

entire works of the great poet in three volumes consisting of his poems, essays and stories. The Government have sanctioned Rs. 3 lakhs for this purpose and entrusted the work to the Tamil University at Thanjavur.

69. An expert committee is preparing a biography of Thanthai Periyar. It has also been proposed to build a Periyar Complex at Vaikkom in Kerala to commemorate his struggle against the evils of untouchability. The Government of Kerala have also allotted land for erecting a statue of Periyar at Vaikkom. Periyar Statue will be erected before the end of next year at the cost of Tamil Nadu Government.

70. The Government has decided to take up the renovation and repairs to temples in the State at a cost of Rs. 15 lakhs.

71. A novel scheme to preserve the noble thoughts of Tamil Scholars in their own voices is also proposed to be implemented at a cost of Rs. 1 lakh, during the next financial year. The establishment of folk art centre has also been contemplated to preserve and popularise the folk art of Tamil Nadu.

Education

72. Education continues to receive top priority in budgetary allocations. The expenditure under Education has been steadily increasing and the total outlay in 1984-85 is Rs. 404.76 crores. The additional enrolment of students in the age groups 6—11 and 11—14 has been significantly higher than the targets set under the 20 point programme

mainly due to the epoch-making Chief Minister's Nutritious Meal Programme. As against a target of 2 lakhs children, the additional entrolment in 1983–84 was of the order of 3·82 lakhs children.

73. During 1983–84 there were 390 non-formal educational centres for the age group of 6—14 with an intake of 30 learners each. In 1984–85, it is proposed to start 10 more non-formal education centres in Gudiyatham area. The total number of adult education centres was 17,047 in 1983–84. The number of adults who studied in these centres was 5.50 lakhs of whom as many as 3.55 lakhs were women. It has been proposed to start 1,000 post-literacy centres in 1984–85.

74. The Mother Teresa Women's University established in Kodaikanal recently will, in addition to conducting research in studies on Women's Welfare, provide consultancy and monitoring services for Welfare schemes for women. Action is also being taken to start a University at Karaikudi as announced already. In 1984–85 a provision of Rs. 7 lakhs has been made for opening new degree courses and post-graduate courses. The 5 year course in Law was introduced from 1983–84.

75. In the sphere of technical education adequate provision has been made in the budget for introducing new courses and for improving the facilities of the institutions by way of buildings, equipment, etc. With a view to provide suitable educational facilities to Tamil Refugees and repatriates from Sri Lanka, the Government have increased the intake in each of the Government Polytechnics during 1983–84 by 5 seats.

76. The Advanced vocational training system introduced in Ambattur Industrial Training Institute with the assistance of United Nations Development/International Labour Organisation has now been extended to Industrial Training Institute, Madurai, and it will start functioning shortly. The Government has introduced the third shift in three Industrial Training Institutes during the year 1983–84 and this will be extended to Salem, ITI during the year 1984–85.

77. A Society has been formed for the establishment and maintenance of Science and Technology Centres proposed to be set up.

Health Services and Family Welfare

78. The Government has accorded due importance to the policy of making available health care facilities to the people in the rural areas. With the establishment of the 17 additional Primary Health Centres proposed during 1983–84, the total number of Primary Health Centres in the State is 424. Some of the significant schemes to be taken up in 1984–85 to strengthen the health care facilities are, the proposal to establish a filaria control unit in Kanniyakumari district, the appointment of staff for malaria control in Rameswaram island and the supply of 1 lakh health cards to school children in the Municipal areas.

79. Under the DANIDA assisted programme to extend health cover to rural areas in Salem and South Arcot districts, 449 health sub-centres have already been established. The construction of 13 dispensary buildings

in primary health centres and 4 operation theatres is under progress. By the end of the current year, we would have spent 50 per cent of the total project cost of Rs. 14.40 crores.:

80. It has been proposed to purchase equipment for teaching hospitals and Medical Colleges at a cost of over Rs. 50 lakhs to improve the facilities in these institutions. It is also proposed to provide additional facilities to the district and taluk hospitals by way of appointment of doctors, other medical staff and purchase of equipment.

81. In pursuance of the consistent policy of the Government to encourage the indigenous Siddha medical system, the Government have constituted the Tamil Nadu Siddha Medical Board to advise the Government on matters relating to development of Siddha system of medicine. The " Tamil Nadu Medicinal Plant Farms and Herbal Medicine Corporation" has been registered under the Companies Act. The Company will take up the establishment of herbal farms and manufacture of medicines for distribution. It is also proposed to take up schemes for the further improvement of the Pharmacy at Arignar Anna Government Hospital of Indian Medicine, Madras, at a cost of Rs. 5 lakhs

82. The allocation for Health and Family Welfare Services in the next financial year amounts to Rs. 131.47 crores.

Provision of Drinking Water Supply

83. The Government has placed great emphasis on providing drinking water-supply to the people. During the first three years of the Sixth Five-Year Plan, Rs. 77.73

crores were spent on providing drinking water to 10,244 problem habitations. In the current year another 2,465 habitations have been covered. Under drought relief works, in the years 1982–83 and 1983–84 about 22,000 bore-wells have been sunk at a cost of Rs. 46 crores.

84. The Madras Metropolitan Water Supply and Sewerage Board has also proposed to take up water-supply schemes and schemes to provide sewerage facilities in the City at an outlay of Rs. 15.25 crores during the year 1984–85. The work on Krishna River Water Supply Scheme is in progress and a provision of Rs. 60 crores has been made in the Budget for 1984–85.

85. Negotiations have been completed with the World Bank for clearing the project costing Rs. 149.42 crores for water-supply to the 3 major towns of Coimbatore, Salem and Madurai, 75 other towns and 740 rural habitations. The project also envisages provision of low cost sanitation facilities as a pilot measure in 14 Municipalities. For the year 1984–85, Rs. 8 crores have been provided under this scheme.

86. The Government have been implementing a programme for conducting Hydrogeological and artificial recharge study as a project with the assistance of United Nations Development Programme. The first phase of the programme which was started in 1981 has been completed. The study has thrown up important findings identifying additional well fields for ground water. It has also shown the technical feasibility for artifical recharge and conjunctive use of water. The runoff of surplus water of rivers to sea could also be reduced

through construction of check dams across rivers on suitable points. The second phase of the programme is expected to commence from 1984–85. The United Nations Development Programme has totally sanctioned more than Rs. 1 crore for the study and Government of Tamil Nadu is providing the counterpart contribution. In view of the acute scarcity of water in the State, efforts are underway to maximise the impounding of rain water wherever possible.

Social Welfare

87. The Government has been following a consistent policy of taking special care of the interests of the Adi-Dravidars and Backward Classes. During the current year 16,216 pattas have been issued to Adi-Dravidars up to December, 1983. The Government has also opened 10 new hostels for Adi-Dravidar students and for the children of those engaged in unclean occupations. It is proposed to open twelve hostels for school girls, six hostels for school boys and eight hostels for college girls during 1984–85. The Government are also constructing buildings for the Adi-Dravidar hostels under the Centrally-Sponsored Scheme of constructing hostels for Adi-Dravidar girls students. Out of the sanctioned number of 101 hostels, 29 have been completed. Under the State Scheme to construct hostels for the boys, 66 hostels have been taken up and 27 hostels have been completed.

88. The Special Component Plan is being implemented with the major objective of helping 50 per cent of the Adi-Dravidar families to cross the poverty level. During

1984–85, a sum of Rs. 122·81 crores will be spent by mobilising the efforts of various departments to benefit 1·80 lakh Adi-Dravidar families and a sum of Rs. 12 crores is expected as Special Central Assistance towards these schemes. The Adi-Dravidar Housing Scheme continues to be implemented through THADCO. The cost of the house has been revised from Rs. 4,000 to Rs. 6,000 and the entire amount will be given as subsidy.

89. The Tribal sub-plan with a total outlay of Rs. 21·67 crores during the Sixth Five-Year Plan has the objective of raising the income of 15,000 tribal families above the poverty line. The outlay for the current year is Rs. 6 crores and so far, as against the target of 3,000 families, 2,953 families have been benefited.

90. The Welfare of the Backward Classes has been given due emphasis and the Tamil Nadu Backward Classes Commission is conducting a socio-economic survey of the conditions of the Backward Classes. During 1984–85, it is proposed to open 42 more hostels for students belonging to Backward Classes at a cost of Rs. 30·79 lakhs.

91. Under the Old-Age Pension Scheme, there are 199,639 beneficiaries in the State who receive, in addition to the cash payment of Rs. 35 per mensem, a free noon meal everyday under the Chief Minister's Nutritious Meal Programme and half a kilo of rice per week. Systematic efforts have been taken to introduce higher standard in some of the schools for the physcially handicapped. During 1984-85 with a view to catering to the employment opportunities of deaf persons, a separate section in the trade of

fitter will be started at the I.T.I., Guindy to train 16 persons. An independent artificial limb centre is to be set up at Madurai to supply artificial limbs and appliances to the Government-run special school for the severely orthopeodically handicapped children at Madurai. One more service home will be started in 1984–85 to benefit the widows and deserted women.

92. Separate committees will be formed in the State to examine and recommend essential schemes of assistance to poor handicapped persons. In order to extend the pension coverage to the poor and destitute among the aged it is proposed to carry out a detailed enumeration.

93. The Tamil Nadu Women's Economic Development Corporation has proposed to implement various schemes for the upliftment of women. It is also proposed to start separate sections for women in 6 trades in 3 I.T.I.s and one Polytechnic in the State.

Revenue Administration and Land Reforms

94. During the current financial year, up to December 1983, cultivable lands covering an extent of 9,029·42 acres were assigned to the landless poor. 1,49,413 house-sites were assigned during the same period. Of this, 73,224 sites were assigned to Adi Dravidars, 3,767 for Scheduled Tribes and 72,422 for others.

95. Under the scheme for providing office-*cum*-residential quarters for the Revenue Inspectors, the Government has sanctioned 958 quarters. Buildings for 609

quarters have been completed and the others are under various stages of construction. New buildings will be constructed during 1984-85 for housing certain taluk and Revenue Divisional Offices.

96. Under the Tamil Nadu Agriculture Lands Record and Tenancy Rights Act, 1969, 439,464 tenants have been registered as on 30th November 1983, covering a total extent of 636,513 acres. The Government has also constituted a Non-official Advisory Committee at the Taluk level to assist the Record Officer in the discharge of his functions.

97. Under the Central Sector Scheme of providing financial assistance to the assignees of surplus lands, out of a sum of Rs. 10,00,000 allocated for the year 1983–84, a sum of Rs. 7,00,873 has been disbursed up to 31st December 1983.

Police and Courts

98. The law and order situation in the State has been satisfactory during the current financial year and this speaks well of the efficiency of the Police Force. The State Government has taken up various measures to modernise and strengthen the Police Department and to look after the welfare of the Policemen. Under the welfare measures, it is proposed to increase the quantum of subsidy on supply of essential commodities such as rice, oil, wheat, sugar, etc. being made to the Policemen at the cost of Rs. 1 crore. A provision of Rs. 62.50 lakhs is also being made in the next year's budget towards the supply of uniforms and clothing materials.

99. The communication facilities in the Police Department will also be strengthened by the erection of UHF Towers and the purchase of VHF Equipment. Besides this, the usual works on construction of quarters and offices will also be taken up.

100. The Government has taken steps to open additional courts to expedite disposal of cases.

Twenty Point Programme

101. The State Government has taken vigorous measures to ensure all round development of the State. In this regard the new Twenty Point Programme announced by the Prime Minister of India has been receiving great attention. From the very beginning, Tamil Nadu has been in the forefront among the States in the proper implementation of this programme and achievement of the targets, particularly, in the key income generating economic activities of the programme. For the year 1982–83, Tamil Nadu was adjudged the best among the States in terms of the performance under Twenty Point Programme. Among the 16 points chosen by the Planning Commission to judge the performance of the States, Tamil Nadu scored in 14 of these points very high performance thereby achieving the highest position. Under Integrated Rural Development Programme the State Government's performance was 120.2 per cent of the targets and in National Rural Employment Programme it topped all States with a performance of 242.2 per cent.

Up to the end of January, 1984, Tamil Nadu has achieved more than 80 per cent of the target in respect of National Rural Employment Programme (83.5 per cent),

Surplus land allotted (92.7 per cent), Bonded labour rehabilitated (158 per cent), Adi Dravida Families benefited (96.6 per cent), House sites allotted (112 per cent), Slum population covered (88.4 per cent), Trees Planted (86 per cent), Bio-gas plants set up (110.6 per cent), Sterilisation (94.7 per cent). It is noteworthy that Tamil Nadu tops the list in the achievement of rehabilitation of bonded labour and sterilisation at the All-India level. Tamil Nadu has exceeded the target in respect of House sites and Bio-gas Plants. Union Planning Commission in its review for January 1984 has placed Tamil Nadu in the highest performance group, i.e., 80 per cent and above. With the sustained efforts, the premier position is expected to be maintained in the current year also.

Chief Minister's Nutritious Meal Programme

102. This noble scheme under which 65 lakhs children are provided with a nutritious meal everyday has been extended to the old-age pensioners in the State from 15th January 1983. This would benefit 199,639 old-age pensioners including 43,888 destitute widows, 14,471 physically handicapped persons and 30,000 agricultural labourers. The benefit under the scheme has also been extended to ex-service pensioners who receive old age pension from the Tamil Nadu Ex-Servicemen Personnel Benevolent Fund.

103. In the schools, the scheme has resulted in increasing the overall enrolment of children by 2.63 lakhs in 1982–83 and by 3.82 lakhs in 1983–84

the average additional enrolment prior to the introduction of this scheme was only around 1.75 lakhs. The increased additional enrolment in the last two years clearly establishes the beneficial effect of the scheme. In addition to this a detailed scheme for providing health cover for children under the Chief Minister's Nutritious Meal Programme has also been drawn up with the maintenance of individual health cards and regular inspection of Child Welfare Centres by medical staff. Immunisation programmes are also conducted. A sample survey conducted in select Child Welfare Centres revealed an increase in the height and weight of children benefited by the Chief Minister's Nutritious Meal Programme.

104. Thus the Chief Minister's Nutritious Meal Programme has fulfilled its major objectives of education, health and overall well-being of the children. It will continue to be implemented vigorously in the coming years.

Employment

105. The problem of unemployment is engaging the attention of the Government. The Department of Employment Services has been created and a number of temporary and permanent measures have been taken to combat this problem. While the problem of seasonal unemployment among landless agricultural labourers accentuated by the adverse seasonal conditions, was sought to be solved through the drought relief measures and the National Rural Employment Programme. Separate schemes have been taken up to alleviate the problem of unemployment faced by educated persons.

106. Under the Centrally Sponsored National Rural Employment Programme 171,010 works have been completed during the period from 1979–80 to the end of January 1984. During the current year, the total outlay for the implementation of this programme is Rs. 36.85 crores and a sum of Rs. 42.60 crores has been provided in the Budget for 1984–85. The merit of this programme is that apart from providing employment to a large number of unemployed landless labourers it also creates facilities such as road, community centres, school buildings, etc. which meet the basic needs of the rural poor.

107. The Government have proposed to computerise the Employment Exchanges so as to provide better service facilities to the job seekers. This programme is to be implemented in a phased manner. During 1984–85, the Madras region consisting of five Employment Exchanges will be taken up for computerisation, at a cost of Rs. 6 lakhs.

108. Under Integrated Rural Development Programme, a sum of Rs. 54·51 crores has been mobilised by way of State subsidy and contributions from credit institutions to benefit 173,431 beneficiaries up to the end of January, 1984. The number of Adi-Dravidar and Scheduled Tribes who were benefited under the programme is 61,933. During the year 1984–85, the rate of progress achieved so far will be kept up.

109. The Government has created a separate department of Institutional Finance in 1983, in order to help the poor and economically backward sections of our

society to cross the poverty line. Within two months of its conception, the department mobilised loans to the tune of Rs. 30·16 crores, to be distributed to 170,564 persons, in the State including 56,966 Adi-Dravidars. The department has also proposed to distribute bank loans to the tune of about Rs. 40 crores, to about 175,000 persons belonging to weaker sections in the State, in March 1984.

Annual Plan

110. Tamil Nadu has been keeping up its reputation of implementing plan programmes exceeding outlays finalised by the Union Planning Commission. For the year 1983–84, Union Planning Commission approved a plan of Rs. 845 crores. We expect the performance to be Rs. 861·87 crores in the revised estimates and as against an approved outlay of Rs. 927 crores for next year, we have budgeted for Rs. 979·22 crores. In the Sixth Five-Year Plan under the important sectors like Agriculture and Allied Services, Irrigation, Industries and Transport and Communications, the State Government has performed much higher than the approved plan evidencing the sustained attention paid by the Government to development sectors. But for the two successive droughts and floods, our performance would have been even better. Under Minimum Needs Programme, too, the State Government has been consistently performing the approved outlay and often even exceeding it. As against the approved outlay of Rs. 241 crores during this Five year plan period, till 1983–84 the performance of the State under Minimum Needs Programme is Rs. 256 crores reflecting the concern

of the State to provide for the basic needs of the population. In addition to the expenditure incurred under the Minimum Needs Programme, Government have also incurred an expenditure of Rs. 207 crores on self-sufficiency schemes in view of the high priority given to this sector.

Vocational Education

111. This Government strongly feels that the education system requires reorientation in order to fulfil its primary purpose of creating manpower, equipped to be absorbed in the labour market. Education should provide the necessary skills for the boys and girls so that they could find suitable vocations or self-employment. Towards this end, vocationalisation of education at all levels has been contemplated. In view of the heavy financial commitment, we had also sought the assistance of the Eighth Finance Commission in implementing the restructuring of the educational system with the provision to impart appropriate skills at various stages of education so that the employment opportunities specific to the regions and localities can be fully exploited. A detailed blue-print for this is under preparation, inclusive of suitable alterations and strengthening of curricula. It will be taken up with Government of India in the coming year for phased introduction from 1985–86.

Welfare of Government Employees

112. The various staff welfare measures undertaken by Government have been already touched upon in the Governor's Address. One of the longstanding requests

of the employees has been for enhancing the retirement benefits. The Government have announced a scheme with effect from 1st April 1984 under which the employees who enrol themselves by contributing Rs. 20 per month, will be paid Rs. 5,000 by the Government at the time of superannuation, in addition to a sum equivalent to their own contribution along with compound interest for that. Under this Scheme, the contribution of Rs. 20 per month will continue until it adds up with interest to a sum of Rs. 5,000. The employees need not contribute towards this Scheme after this sum is reached and this amount will continue to gather interest on par with provident fund collections at the same rate of compound interest. The maximum amount that a Government servant will have to contribute under the scheme is about Rs. 3,000. It will be repaid to them along with a contribution by the Government of a sum of Rs. 5,000 at the time of superannuation of the Government servant. Thus,allthe Government servants will receive, at the time of superannuation after 1st April 1984, a fixed cash contribution of Rs. 5,000 along with their contribution returned to them with compound interest. Such of those whose date of superannuation coincides with the time when their contribution with interest amounts to Rs. 5,000 will receive a total sum of Rs. 10,000 and those who retire after this date will get progressively higher amounts which may exceed even Rs. 30,000 for a new recruit, depending upon the number of years of service he puts in. This scheme drawn up in consultation with the representatives of employees has met with the uniform appreciation of all Government staff.

113. The Fourth Pay Commission announced in the Governor's address will start functioning from 1st June, 1984. It will function as one man Commission headed by a former Judge of Madras High Court. The name of the Judge will be announced later.

Budget Performance

114. In the Budget for 1983–84 to the extent possible adequate funds were allocated for Plan and Non-Plan schemes. Even so, the revised estimates show a possibility of additional expenditure of about Rs. 200 crores in the current year in Revenue Account. This is so despite the fact that all efforts were made to effect the economy in expenditure. This additional expenditure is essentially due to the provision of Rs. 30 crores made for Krishna Water Scheme, Rs. 55 to 60 crores for drought relief, Rs. 30 crores for subsidy to Tamil Nadu Civil Supplies Corporation, and due to expenditure on Centrally sponsored Schemes and increased level of expenditure on other schemes.

Financial Position

115. In the Revised Estimate for the year 1982–83 which was presented along with the Budget last year it was anticipated that the closing deficit will be Rs. 89.02 crores. However, as against that the actual closing deficit for the year 1982–83 was only Rs. 4.04 crores. In the Revised Estimate for the year 1983–84 the revenue receipts have been estimated at Rs. 18,92.86 crores as against

that the expenditure under the revenue account has been placed at Rs. 18,69.33 crores which shows a surplus of Rs. 23.53 crores under the revenue account. The expenditure on the capital account stands at Rs. 186.32 crores. It is estimated that there will be a surplus of Rs. 148.03 crores under the public debt and that the net deficit under the loan expenditure will be Rs. 233.86 crores. The net effect of the above transactions in the consolidated fund would show a deficit of Rs. 248.62 crores under the consolidated fund. At the same time the public account is expected to show a surplus of Rs. 123.35 crores and this will reduce the total deficit to Rs. 125.27 crores, together with the opening deficit of Rs. 4.04 crores this will show the closing deficit for the current year as Rs. 129.31 crores.

116. The Budget Estimate for the year 1984–85 shows the revenue receipt at Rs. 20,65·43 crores and the revenue expenditure at Rs. 19,46·38 crores, giving a surplus of Rs. 119·05 crores on the Revenue Account. The capital expenditure is estimated to be Rs. 178·43 crores and the net surplus in the public debt is expected to be Rs. 145·76 crores. It is estimated that the net of loans and advances will have a deficit of Rs. 272·92 crores. Thus, on the whole, the consolidated fund would be having deficit of Rs. 186·54 crores. The surplus in the Public Account is likely to be Rs. 114·35 crores. The net effect of the transactions in 1984–85 will show a deficit of Rs. 72·19 crores which together with an opening deficit of Rs. 129·31 crores will give the closing deficit for the next financial year as Rs. 201·50 crores.

117. Considering the fact that there is a huge gap between the revenue and the expenditure of the State Government, the Honourable Members will definitely appreciate the need to raise additional resources.

118. Honourable Members would remember that in the Budget Speech last year, it was contemplated to levy entry tax in respect of certain items. However, in view of the representations received from the various sections of the society the Government constituted a Committee to explore the possible alternatives which can be implemented without adversely affecting the interest of the trading community and the public in general. The non-official Members of the Committee suggested that instead of entry tax, additional sales tax may be raised to generate resources. However, they wanted that the prohibition from passing on the burden to the consumers should be lifted. The Committee also felt that, wherever there was substantial difference between the prevailing rates of Sales Tax in Tamil Nadu and in other neighbouring States, there was scope to raise our taxes in order to mobilise additional resources. While formulating the proposals for raising additional resources, the Government has kept in view the recommendations of this Committee. However, in view of the fact that the increased rates of additional sales tax now proposed are to be levied only when taxable turnover exceeds Rs. 3 lakhs it is felt that it will not be too much of a burden on the trading community and this burden need not be passed on to the consumers.

119. The following measures have therefore been thought of :—

(i) After due consideration, the Government have decided to raise the rate of additional sales tax from 1st April, 1984, as follows :—

(*a*) For a taxable turnover exceeding Rs. 3 lakhs to Rs. 5 lakhs from 0.4 per cent to 0.5 per cent.

(*b*) For a taxable turnover exceeding Rs. 5 lakhs to Rs. 7 lakhs from 0.5 per cent to 0.7 per cent.

(*c*) For a taxable turnover exceeding Rs. 7 lakhs to Rs. 10 lakhs from 0.6 per cent to 1 per cent.

(*d*) For a taxable turnover exceeding Rs. 10 lakhs from 0.7 per cent to 1.25 per cent.

Since these increases are proportionate to the size of the taxable turnover, the additional burden to be borne by the trading community will not be high. It is expected that these measures will give an additional income of Rs. 20.25 crores.

(ii) At present, in Tamil Nadu, the rate of sales tax for certain commodities is lower than the prevailing rate of tax in the neighbouring States like Karnataka, Andhra and Kerala. It is however proposed to increase the rate of sales tax in respect of only a few of these commodities, mainly petroleum products. The increased rates of sales tax detailed below will take effect from the date of notification :—

(*a*) Petrol .. .. .. From 11 per cent to 14 per cent.

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(*b*) Aviation Turbine Oil	..	From 7 per cent to 10 per cent.
(*c*) High Speed Diesel Oil	..	From 11 per cent to 14 per cent.
(*d*) Light Diesel Oil ..	..	From 11 per cent to 14 per cent.
(*e*) Lubricating Oils, Quenching Oils and Greases.		From 8 per cent to 10 per cent.
(*f*) Mineral Oils ..	..	From 8 per cent to 10 per cent.

It is estimated that these measures will yield an additional income of Rs. 27 crores.

(iii) It is proposed to increase the rate of sales tax from 3 per cent to 4 per cent for the cotton yarn with the exception of cone yarn and hosiery yarn. This measure is expected to yield Rs. 5 crores.

120. Moreover in this Session, a Bill is being placed to enable the State Government to levy sales tax on transactions such as hire purchase, works contract, leases, etc., in order to make use of the powers devolved on the States by the 46th Amendment of the Constitution of India. Another Bill to be placed in this Session is to make the rate of tax for packing materials and packing charges the same as that of the product so packed. The above measures are likely to yield Rs. 5 crores.

121. All the measures for additional resource mobilisation will totally yield Rs. 57.25 crores.

122. At the same time, the Honourable Members will be pleased to know that it has been proposed to include the following concessions also :—

(*a*) It is proposed to increase the exemption limit from levy of multi-point sales tax to a total turnover of Rs. 1,00,000 as against the existing limit of Rs. 50,000. It is expected that about 20,000 traders will be benefited by this measure and the loss of revenue on this account will be around Rs. 3 crores.

(*b*) The limit of turnover for making it obligatory to register under the Tamil Nadu General Sales Tax Act is proposed to be raised from a total turnover of Rs. 30,000 to Rs. 50,000.

(*c*) It has been decided to extend the concessional rate of 4 per cent in respect of the Inter-State sale of hand-made toys and arts products.

(*d*) It has been proposed to levy a single point sales tax of 5 per cent as against the existing multi-point tax of 5 per cent on poultry feed and compound cattle feed. This is expected to cause a loss of revenue to the extent of Rs. 25 lakhs.

(*e*) It has been proposed to further reduce the sales tax on the heavy automobiles chassis from 9 per cent to 6 per cent to prevent consignment sales on account of the reduction in these rates in adjoining areas of Pondicherry and Karnataka.

123. The concessions outlined above are likely to cause a loss of revenue to the extent of Rs. 3.25 crores. Therefore, the net additional resource mobilisation by

measures now proposed is expected to be Rs. 54 crores. As a result of the implementation of these measures the budgetary gap for the next year will be reduced to Rs. 147.50 crores.

124. I had touched upon the all round impact that the Chief Minister's Nutritious Meal Programme has had on the children. The Hon'ble Chief Minister is keen that during the most vulnerable period of their life, the children should be protected from the pangs of poverty and should have an atmosphere most conducive to studies. I have great pleasure in announcing the decision of this Government to extend the Nutritious Meal Programme from 15th September, Arignar Anna's birth-day, to all students in all schools throughout the State in the age group of 10 to 15 years. They will get mid-day meals during all the school days in the year. After achieving this coverage, Tamil Nadu would have covered boys and girls from their pre-school stage till the completion of their school education with the provision of nutritious mid-day meals, thereby investing in substantial measure in the building up of the human capital in this State. This scheme is expected to cost the exchequer around Rs. 20 crores in the coming year. With this commitment, the net deficit at the end of the year will be Rs. 167·50 crores. We are hopeful that the general buoyancy that different sectors in the economy are expected to manifest, along with the strict economy measures applied to all non-plan items of expenditure will help us to meet this gap. As already mentioned by me, we expect the Government of India to

appreciate the peculiar predicament in which the State was placed in the current year owing to the acts of nature and come to our assistance to the maximum extent.

Insurance Scheme for Agricultural Labour

125. It is essential to provide protection and insurance cover to the weaker sections of society like landless agricultural labourers and the marginal farmers who contribute substantially towards the welfare of the society. They are today totally at the mercy of the vagaries of nature. And the periodic assistance extended by the State through employment generating schemes and reduction in the burden of loan repayments, are nullified by the acts of nature. This Government have been extending various measures of assistance through public distribution of essential commodities, supply of rice at highly subsidised prices, grant of pensions to the aged and the destitute and through the recently announced scheme of extending the midday meals also to the old age pensioners as well as the supply of clothes to the agricultural labourers. This Government have already announced the introduction of crop insurance scheme according to the assurance given during election. Now, the Government have devised a scheme to give protection to the life of marginal farmers and agricultural labour. The scheme will come into operation from September 15th, the birth-day of Arignar Anna.

126. A separate organisation will be set up in the Labour department for the landless agricultural labour and other weaker sections like marginal farmers.

All the agricultural labour and the marginal farmers will be enrolled as members. Separate agencies will be established under the direct supervision of the District Collectors. Apart from giving protection through payment of compensation for the damages to the members on account of flood and drought, amounts between Rs. 5,000 and Rs. 10,000, depending on their needs, will be paid to the families in which a member dies in the course of his work. Tamil Nadu Government will arrange to enrol the members in the Life Insurance Corporation by meeting a part of the premium from Government funds. Thus, Government will ensure adequate compensation in the event of unexpected losses to the members through the Life Insurance Corporation and wherever legally permissible by direct assistance. Rs. 5 crore will be set apart for this from the Chief Minister's Public Relief Fund.

As promised in the election manifesto a scheme to provide Crop Insurance is already being implemented. Even though no such promise was made as regards the agricultural labourers, considering its importance it is proposed to introduce from this year a scheme which will afford protection to their life and property.

Hon'ble Speaker Sir,

127. It is said, that the lion, the lord of the jungle and king of the beasts, while sauntering majestically in the forest, would turn its head to see how far it has come and to gauge how far it has to proceed. Similarly, this Budget reflects our past achievements and our future programmes.

128. Tamil Nadu should become prosperous on all fronts ; the people of Tamil Nadu should distinguish themselves in all walks of life—with these aims in mind, I have touched upon briefly the developmental activities implemented so far and the welfare schemes which the Government proposes to take up in 1984–85.

129. It is my earnest hope that the considered views of the Members who take part in the discussion on this Budget and their opinion reflecting the depth of their thinking, the breadth of their outlook, their sincerity and integrity will help in paving the way for the well-being of the people along the right directions. I seek the support and co-operation of the Hon'ble Members in maintaining the name and fame of this House which is known for its democratic traditions, discipline and dignity. I am sure the abiding support willingly given by all of you will be a great help in solving the problems that beset us and achieving the prosperity that is our goal.

130. I offer my wholehearted thanks to the Finance Secretary Thiru C. Ramachandran and the officers and staff of the Finance and other departments who have helped me in preparing these Budget proposals. Once again, I request the House to approve the Annual Financial Statement for the year 1984–85.

(Vanakkam)

Madras,
3rd March 1984,
Masi 20, Ruthrothkari,
Thiruvalluvar Aandu, 2015.

V. R. NEDUNCHEZHIYAN,
Minister for Finance.